## ESTIMATED REVENUE EFFECTS OF H.R. 3971, THE "HIGHWAY REAUTHORIZATION TAX ACT OF 2004," SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON MARCH 17, 2004

## Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
Restructuring of Incentives for Alcohol Fuels, Etc.													
1. Provide excise tax credit (in lieu of reduced tax rate													
on gasoline) to certain blenders of alcohol fuel													
mixtures (sunset 9/30/07)	fsoua 9/30/04					1	Vo Reveni	ue Effect -					
<ol><li>Provide that all alcohol fuels excise tax credits and</li></ol>	tra 9/30/04 &												
payments are paid from the General Fund [1]	apa 9/30/04					1,148	1,480	1,506	1,532	1,559	1,586	1,148	8,811
Repeal reduced-rate sales of gasoline for blending													
with alcohol and reduced-rate sales of alcohol fuel													
blends	fsoua 9/30/04		22	23	23	23	22	22	22	21	21	91	199
Provide outlay payments (in lieu of excise tax													
credits and refunds) to producers of alcohol fuel													
mixtures:	f 0/00/04		405	444	440	0						044	244
a. Outlay effects [2] [3]	fsoua 9/30/04 fsoua 9/30/04		-105 105	-114 114	-116 116	-6 6						-341 341	-341 341
b. Revenue effects      Transfer full amount of alcohol fuel excise taxes to	180ua 9/30/04		105	114	110	О						341	341
the Highway Trust Fund (i.e., repeal 2.5/2.8 cents													
transfer to General Fund)	tia 9/30/03					,	No Povoni	io Effoct					
Transfer full amount of motorboat fuel taxes and	lia 9/30/03					,	vo neveni	ie Ellect -					
certain small engine fuel taxes to the Aquatic													
Resources Trust Fund	tia 9/30/03					1	Vo Reveni	ıe Effect .					
Total of Restructuring of Incentives for Alcohol Fuels, Etc	•••••		22	23	23	1,171	1,502	1,528	1,554	1,580	1,607	1,239	9,010
Reduction of Fuel Tax Evasion													
A. Exemption From Certain Excise Taxes for Mobile													
Machinery Vehicles	DOE [4]		85	113	113	113	113	113	113	113	113	424	989
B. Taxation of Aviation-Grade Kerosene	[5]		395	423	426	427	427	425	421	417	413	1,671	3,774
C. Dye Injection Equipment, Security Standards, and												•	•
Related Penalties	[6]		20	45	45	45	45	45	45	45	45	155	380
D. Authority to Inspect On-Site Records	DOE					Neg	ligible Rev	enue Effe	ct				
E. Registration and Reporting Requirements						_	•						
Registration of pipeline or vessel operators													
required for exemption of bulk transfers to													
registered terminals or refineries [7]	10/1/04		115	123	124	124	124	124	124	123	122	486	1,103
2. Display of registration and penalty for failure to													
display	[8] Revenue Effects Included in Line E.1. Above												
3. Penalties for failure to register and failure to report	pia 9/30/04		2	2	2	2	2	2	2	2	2	8	18
F. Collection From Customs Bonds Where Importer Not													
Registered	fea 9/30/04	2	7	8	8	8	8	8	8	8	8	33	73

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
G. Modifications to Heavy Vehicle Use Tax  H. Modification of Ultimate Vendor Refund Claims With	tpba DOE	106	121	124	126	128	131	131	133	135	137	606	1,273
Respect to Farming	fsfnua 9/30/04	Negligible Revenue Effect											
Highway Trust Fund	paa 10/1/04					1	No Revent	ue Effect -					
Total of Reduction of Fuel Tax Evasion		108	745	838	844	847	850	848	846	843	840	3,383	7,610
Other Highway Excise Tax Provisions													
A. Taxable Fuel Refunds for Certain Ultimate Vendors	10/1/04												
B. Two-Party Exchanges	DOE					U	U						
C. Simplify the Heavy Truck Tire Tax [9]	[10]					· Neg	ligible Rev	enue Effe	ct				
Total of Other Highway Excise Tax Provisions						Negl	igible Rev	enue Effe	ect				
NET TOTAL		108	767	861	867	2,018	2,352	2,376	2,400	2,423	2,447	4,622	16,620

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

apa = amounts paid after
DOE = date of enactment
fea = fuel entered after
fsfnua = fuels sold for nontaxable use after

fsoua = fuel sold or used after paa = penalties assessed after pia = penalties imposed after tia = taxes imposed after tpba = taxable periods beginning after tra = taxes received after

- [1] The bill provides that the excise tax credit expires after September 30, 2007. If this bill is enacted, the Congressional Budget Office's subsequent baseline would not assume extension of the excise tax credit beyond its expiration because the requirement to assume extension of excise taxes dedicated to trust funds does not apply to excise tax credits paid from the General Fund. For purposes of this revenue estimate, therefore, it is assumed that the excise tax credit would expire as scheduled. This treatment generates changes in revenues after September 30, 2007.
- [2] Estimate provided by the Congressional Budget Office. Negative numbers indicate an increase in outlays.
- [3] The outlay payments for ethanol expire after September 30, 2007.
- [4] As to fuel taxes, effective for taxable years beginning after the date of enactment.
- [5] Effective for aviation fuel removed, entered into the United States, or sold after September 30, 2004.
- [6] Generally effective 180 days after the date on which the Secretary issues the regulations, which are required no later than 180 days after the date of enactment.
- [7] Bulk transfers to unregistered parties would be taxed at the time of the transfer. The Secretary would be required to publish a list of certain registered persons beginning on July 1, 2004.
- [8] The display of registration provision is effective on October 1, 2004, and the penalty provision is effective for penalties imposed after September 30, 2004.
- [9] The revenue neutral tax rate on each ten pounds of tire capacity above 3,500 pounds is 9.4 cents on tires in general and 4.7 cents for biasply tires. Estimate does not include potential outlay effects, which are the responsibility of the Congressional Budget Office.
- [10] Effective for sales in calendar years beginning more than 30 days after the date of enactment.